Auction of Jewellery by Nationalised Banks

3707. DR. YELAMANCHILI SIVAJI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that nationalised banks are auctioning jewellery of farmers that was hypothecated against agriculture/crop loans in coastal Andhra;

(b) if so, what is the total number of such auctions;

(c) what is the total amount realised through such auctions: and

(d) what are the district-wise and bank-wise details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) to (d) The Reserve Bank of India (RBI) has reported that no information is available with them in this regard. It is also reported that jewellery of farmers pledged with Andhra Bank against loans for agricultural purposes obtained from it is auctioned by the bank only where the relative loan is not repaid within the stipulated time. In terms of established banking practices, all borrowers availing of loans/accommodations in any form from banks are required to repay the same with interest as per repayment schedule agreed between the bank and the borrowers. Any default committed by a borrower in this regard is liable to be subjected to appropriate action for recovery irrespective of the amount of default. The recovery of dues from borrowers by financial institutions is their normal activity. Auction of jewellery is resorted to recover the bank dues only as a last resort. Any request by the borrower, asking for time for repayment is generally considered by the bank.

RBI Directions for interest on Agricultural Loans

3708. DR. YELAMANCHILI SIVAJI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that there is a circular of R.B.I. to all the commercial banks that the interest component should not exceed principal amount in case of agricultural loans extended to small and marginal farmers; and

(b) if so, what are the details of the circular and what steps are taken to implement the same?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) Reserve Bank of India (RBI) issued a circular to all scheduled commercial banks on 16th March, 1984 detailing the guidelines for Priority Sector Advances to be observed by them which inter-alia, provides that the total interest debited to an account should not exceed principal amount in respect of short term advances granted to small and marginal farmers.

Recognition to the Vallalar Gramya Bank Employees Association

3709. SHRI ASHIS SEN: Will the Minister of FINANCE be pleased to state:

(a) whether Vallalar Gramya Bank (RRB) Employees Association in the District of Cuddalore in Tamil Nadu is recognised by the Bank,

(b) if not, what are the reasons therefor;

(c) whether check-off facility is made available to the employees association members; and

(d) whethe it 's a fact that the Messenger Staff of the Bank have not yet been regularised in this services in terms of the National Industrial Tribunal's Award and recommendations of the committee appointed by NABARD in this connection; if so, what are the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) No Sir. Indian Bank which is the sponsor bank of the Vallalar Gramya Bank has reported that the Regional Rural Bank